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**EX PARTE**

March 20, 2012

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Re: *WC Docket No. 10-90, Connect America Fund; GN Docket No. 09-51, National Broadband Plan for our Future; WC Docket No. 07-135, Establishing Just and Reasonable Rates for Local Exchange Carriers; WC Docket No. 05-337, High-Cost Universal Service Support; CC Docket No. 01-92, Developing a Unified Intercarrier Compensation Regime; CC Docket No. 96-45, Federal State Joint Board on Universal Service; WC Docket No. 03-109, Lifeline and Link-Up, Universal Service Reform – Mobility Fund, WT Docket No. 10-208*

Dear Ms. Dortch:

On March 16, 2012, Mack Greene, Director, Voice Services, (via phone) and the undersigned, of Level 3 Communications, LLC (“Level 3”) and Brita Strandberg, with Wiltshire and Grannis, LLP, counsel for Level 3, met with Michael Steffen, Legal Advisor to Chairman Genachowski, Sharon Gillett, Rebekah Goodheart, John Hunter, Pam Arluk, Doug Slotten and Dan Ball (via phone) of the Wireline Competition Bureau, to discuss Level 3’s concern with recent proposals requesting that the Commission clarify

and/or reconsider its rules, in order to subject toll traffic originating on the PSTN and terminating in IP format to intrastate access rates.<sup>1</sup>

Level 3 reiterated the arguments it made in its March 14, 2012 ex parte letter<sup>2</sup> that any decision by the Commission to reconsider and change its rules to impose the legacy access charge regime upon VoIP-PSTN traffic at this point only exacerbates the uncertainty surrounding VoIP-PSTN traffic and would ultimately undo much of the Commission's efforts to reform the intercarrier compensation regime. Level 3 also specifically discussed its concern that allowing carriers to charge intrastate access rates for calls that originate in TDM and terminate in IP would significantly impact Level 3's ability to compete in the toll-free marketplace. Level 3 explained that since the effective date of the *CAF Order*,<sup>3</sup> it has been able to pursue new business opportunities created by the VoIP-PSTN traffic rules, by leveraging its primarily IP-based network to provide toll-free services in competition with incumbent providers.

Level 3 explained that in order to accommodate the proposed originating rate change, it would have to either raise rates, and risk losing its new customers, or find other ways to reduce costs to account for the increased carrier charges. Level 3 estimated that the new rules have allowed it to lower the price of its toll-free offerings to induce customers to change service providers, and that it would have to rescind current offerings in place for such services if the rules are changed, which is why Level 3 is significantly concerned about the proposal in question.

In conclusion, Level 3 stressed that if the Commission ultimately decides to change the rates as proposed, that it give carriers significantly more time to implement those changes than it gave the industry to adjust for the *CAF Order*. It also stated that it plans to file data in the record quantifying the financial impacts of the current proposal upon its business.

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<sup>1</sup> See Letter from Frontier *et al* to Ms. Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 10-90, *Connect America Fund*; GN Docket No. 09-51, *National Broadband Plan for our Future*; WC Docket No. 07-135, *Establishing Just and Reasonable Rates for Local Exchange Carriers*; WC Docket No. 05-337, *High-Cost Universal Service Support*; CC Docket No. 01-92, *Developing a Unified Intercarrier Compensation Regime*; CC Docket No. 96-45, *Federal State Joint Board on Universal Service*; WC Docket No. 03-109, *Lifeline and Link-Up, Universal Service Reform –Mobility Fund*, WT Docket No. 10-208, (filed Mar. 8, 2012) (“Joint Letter”).

<sup>2</sup> See Letter from Erin Boone, Senior Corporate Counsel, Federal Regulatory Affairs, Level 3 Communications, LLC to Ms. Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 10-90 *et al* (filed Mar. 14, 2012).

<sup>3</sup> *Connect America Fund, et al.*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51, CC Docket Nos. 01-92, 96-45, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011) (*CAF Order*).

As required by Section 1.1206(b), this *ex parte* notification is being filed electronically for inclusion in the public record of the above-referenced proceeding. Please direct any questions regarding this matter to the undersigned.

Sincerely,

/s/ Erin Boone

Erin Boone

cc: (via email) Michael Steffen  
Sharon Gillett  
Rebekah Goodheart  
John Hunter  
Pam Arluk  
Doug Slotten  
Dan Ball